



WORLD MARKETS AND TRADE

June 2007

Apple Juice

Summary

U.S. apple juice production for marketing year (MY July-June) 2006/07 is expected to be 5 percent higher than last season at 110,000 metric tons as more apples are available for the juice market. Apple juice production for select countries during MY 2006/07 is estimated to be 1.4 million tons, up 22 percent from last year's lower levels. As the world's top apple producer, China continues to be the driving force behind changes in the world apple juice market. A bumper crop is expected to spill over into the juice market. Global apple juice trade is expected to have another record year in 2006/07. The United States, one of the world's largest importers of apple juice, is expected to import about 12 percent more than 2005/06. Apple juice exports for select countries are forecast at 1.3 million tons.

U.S. Apple Juice Production Increases Slightly

Total U.S. apple production for 2006/07 is expected to be 4 percent higher than last year at 4.6 million tons. This combined with fewer apples meeting fresh standards will push juice production up 5 percent in 2006/07 to 110,000 tons. In the United States, a small portion of apples are grown just for juicing. Most juice apples are culled fruit from fresh packing lines. During 2005/06, about 64 percent of all apples went into the fresh market, the rest, or about 36 percent were processed. Of the processed apples, about half went into the juice and cider market or about 18 percent of total apple production. About 3.5 billion pounds of apples were processed during 2005/06 for products including canned, juice, frozen, dried, and fresh slices. The National Agricultural Statistics Service (NASS) will publish estimates for 2006/07 processed utilization on July 6, 2007.

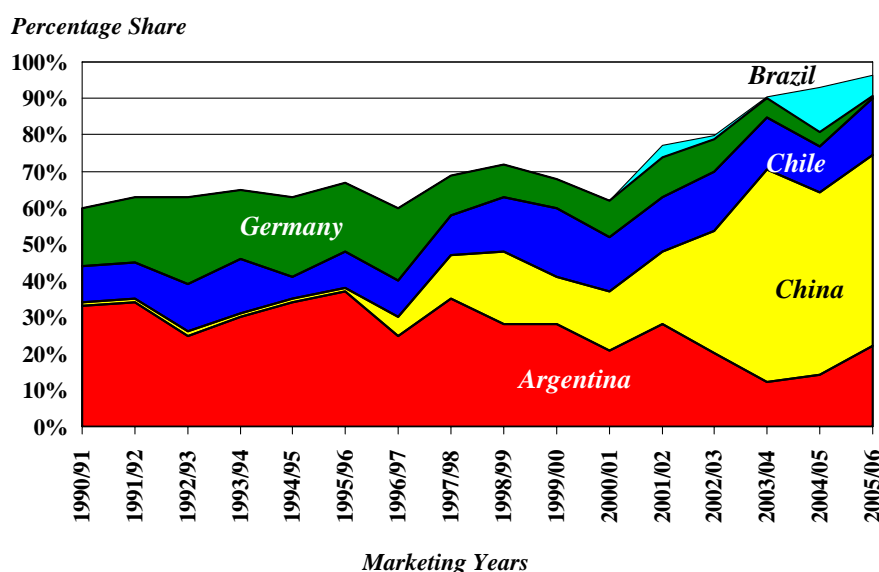
The United States Imports More Juice from China after Two Years of Declines

The United States is forecast to import 322,600 tons of juice during 2006/07, an increase of 12 percent from the previous year. With the rebound in China's apple crop this year, United States import data July 2006 through April 2007 shows an increase of about 16 percent compared to the same period the previous year, reflecting greater availability of juice. U.S. imports, about half from China, are mostly in the form of concentrated non-frozen juice. Argentina, Chile, and Brazil are helping to meet growing U.S. demand while imports from New Zealand are also increasing. Germany continues to lose market share due to tighter supplies and high prices. U.S. apple juice imports from China slowed during 2004/05 due to heavy world demand and higher prices. The United States sought out other sources, including Brazil, and Argentina, to

fill the ever increasing domestic demand for juice. During 2005/06, China recovered some of the U.S. market share, despite the sharp declines in their apple crop, as stocks were tapped to meet growing demand.

United States apple juice import values in 2005/06 totaled close to \$270 million. The U.S. is expected to remain a major net importer as demand for apple juice continues its upward trend. Apple juice values could exceed \$400 million in 2006/07 with data July 2006 through April 2007 already reaching \$335 million, exceeding the same time period the previous year by \$115 million.

U.S. Imports of Apple Juice Continue to Grow, While China's Expanding Market Share Loses Some Momentum to Argentina and Brazil



Source: U.S. Department of Commerce, Bureau of the Census.

*Effective January 1, 2002 the HS Code for apple juice changed and data for 1994-2001 and 2001-2006 may not be directly comparable. Prior to 2001/02, HS Code 20097000 for apple juice is used. 2002/03 to present, HS Code 20097900 (concentrated apple juice) is used.

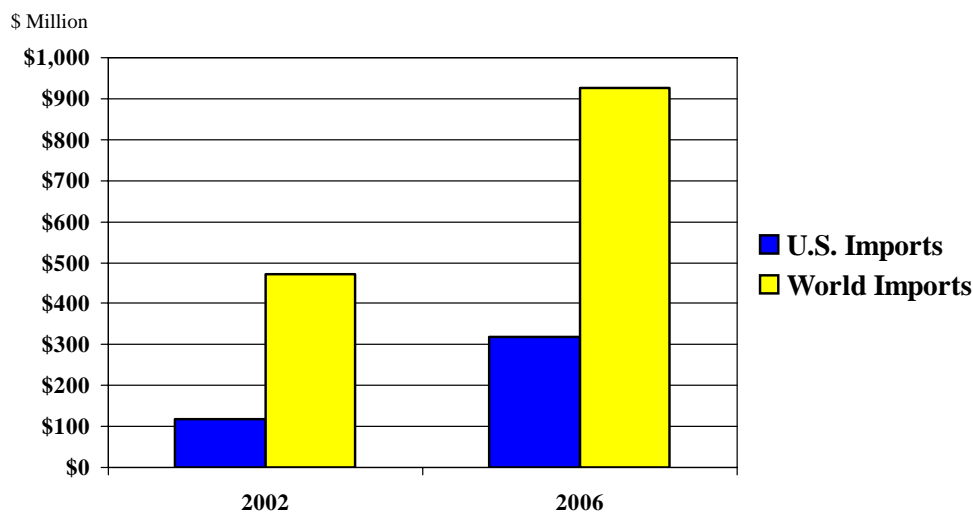
Global Apple Juice Trade Continues to Set New Highs

The United States is the world's top importer of apple juice and during 2006 imported about 35 percent of total apple juice traded. Ranking second is the European Union (EU)-27 followed by Japan, both sourcing mainly from China. The EU-27 reporting countries (Germany, Hungary, Italy, Poland, and Spain) are estimated to export 507,000 tons in 2006/07 up 3 percent or 13,000 tons from the previous year. The EU-27, like the United States, is a net importer of juice.

In addition to China, Argentina, Chile, New Zealand, and South Africa also supply juice to the world market. However, Argentina and Chile are most significant at 67,000 tons and 62,000

tons, respectively in 2006/07. Brazil, in recent time, has become a larger player, particularly on the U.S. market, and during calendar year 2006 shipped 23,000 tons to world markets.

World Trade in Apple Juice Growing Rapidly, Trade Approaches \$1 Billion



Source: Global Trade Atlas HS Code 200979

For more information, contact Heather Velthuis at 202-720-9792, heather.velthuis@usda.gov.